

PRESS RELEASE

Happiest Minds reports year-to-date revenue growth in constant currency of 26% and EBITDA of 26.3%, well above guidance.

Reported numbers on revenue growth and profitability continue to be industry leading.

Bengaluru, India, San Jose, California and London, January 19, 2023: Happiest Minds Technologies Limited (NSE:HAPPSTMNDS), a 'Born Digital. Born Agile', digital transformation and IT solutions company, today announced its consolidated results for the third quarter ended December 31, 2022 as approved by its Board of Directors.

Financial highlights

Quarter ended December 31, 2022

- Revenue in constant currency grew by 2.8% q-o-q and 22.6% y-o-y
- Operating Revenues in US\$ stood at \$45.3 million (growth of 2.1 % q-o-q; 19.8% y-o-y)
- Total Income of ₹ 37,468 lakhs (growth of 4.3% q-o-q; 28.2% y-o-y)
- EBITDA of ₹ 9,726 lakhs, 26.0% of Total Income (growth of 3.1% q-o-q; 26.5% y-o-y)
- PAT of ₹ 5,758 lakhs (decline of 3.1% q-o-q; growth of 17.7% y-o-y)
- Free cash flows of ₹ 9,315 lakhs
- EPS (diluted) for the quarter of ₹ 3.98

Nine months ended December 31, 2022

- Revenue in constant currency grew by 26.0%
- Operating Revenues in US\$ stood at \$131.9 million (growth of 23.5% y-o-y)
- Total Income of ₹ 106,397 lakhs (growth of 29.7% y-o-y)
- EBITDA of ₹ 27,935 lakhs, 26.3% of Total Income (growth of 31.4% y-o-y)
- PAT of ₹ 17,333 lakhs (growth of 34.3% y-o-y)
- Free cash flows of ₹ 26,534 lakhs
- EPS (diluted) for half year of ₹ 12.01

All amounts in ₹ Lakhs unless stated otherwise

Particulars	Q3 FY 23	Q2 FY 23	QoQ	Q3 FY 22	YoY	9M FY 23	9M FY 22	YoY
Revenues (\$'000)	45,279	44,347	2.1%	37,796	19.8%	131,850	106,758	23.5%
Constant Currency Growth	-	-	2.8%	-	22.6%	-	-	26.0%
Revenues	36,688	35,551	3.2%	28,394	29.2%	105,131	79,308	32.6%
Other Income	780	382	-	834	-	1,266	2,719	-
Total Income	37,468	35,933	4.3%	29,228	28.2%	106,397	82,027	29.7%
EBITDA	9,726	9,434	3.1%	7,688	26.5%	27,935	21,258	31.4%
%	26.0%	26.3%		26.3%		26.3%	25.9%	
PBT before Exceptional Item	8,158	8,011	1.8%	6,543	24.7%	23,727	18,206	30.3%
%	21.8%	22.3%		22.4%		22.3%	22.2%	
Exceptional Item*	(634)	-		-		(634)	(609)	
PBT	7,524	8,011	(6.1)%	6,543	15.0%	23,093	17,597	31.2%
%	20.1%	22.3%		22.4%		21.7%	21.5%	
Tax	1,766	2,070	-	1,651	-	5,760	4,688	-
%	4.7%	5.8%		5.6%		5.4%	5.7%	
PAT	5,758	5,941	(3.1)%	4,892	17.7%	17,333	12,909	34.3%
%	15.4%	16.5%		16.7%		16.3%	15.7%	

* Loss on Fair Valuation of Warrant Liability

Ashok Soota, Executive Chairman, said "We have delivered yet another quarter of excellent performance on all fronts. On revenue growth + EBITDA, a metric that we closely track, we are at **55.2%**, which reflects our ability to drive consistent profitable growth. We are delighted with the recognitions received by Happiest Minds on corporate governance. The ICSI award in this quarter was preceded by the Golden Peacock award for corporate governance in the previous quarter. Happiest Minds stands for excellent corporate governance and these awards represent a dual confirmation on our disclosure, transparency and governance practices."

Venkatraman N, MD & CFO, said "Happiest Minds' year-to-date revenue growth of 26% in constant currency and EBITDA of 26.3% continue to be industry-leading and well above the guidance we have given for the year. Accolades that we received for our governance and disclosure practices coupled with our results make the quarter results that much more pleasant"

Joseph Anantharaju, Executive Vice Chairman, said "Our clients are investing heavily in cloud, experience and analytics as part of their strategic Digital initiatives. They continue to see us as a strategic and differentiated partner, given our positioning as a 'Born Digital . Born Agile' company and our technology depth. This has resulted in a strong pipeline of large deals, many of them with Fortune 500 companies."

Clients:

- 230 as of December 31, 2022
- 9 additions in the quarter

Our People - Happiest Minds:

- 4,611 Happiest Minds as of December 31, 2022 (net addition for the quarter **30**)
- Trailing 12 months attrition of 20.9%
- Utilization of 80.1%, from 80.6% in last quarter

Q3 FY23 Key Project Wins:

- For one of the largest bottlers of beverage brands in America, Happiest Minds was chosen to establish Microsoft Power Platform COE for them.
- For a US-based workforce development company, Happiest Minds was selected to build their next-generation mentorship platform.
- For a global leader in the design and manufacturing of advanced analytical, test and measurement instrumentation, Happiest Minds was selected as a partner for front-end development and automation.
- For a leading US labor and employment law firm, Happiest Minds is helping them automate their processes with Microsoft Power Platform
- For a large consulting company in the US, Happiest Minds is providing managed database services
- For a Danish bank, Happiest Minds is digitally transforming their trading platform using Low-Code No-Code (LCNC) platform.
- For a major telecom operator in the Middle East, Happiest Minds is providing Security Assessment services.
- For a multi-national BPO and consultancy company headquartered in Europe, Happiest Minds is providing cloud, security and network management services.

Recognitions and CSR:

- Happiest Minds has won **GOLD** for its 2022 Integrated Annual Report at the **League of American Communication Professionals (LACP) Spotlight Awards 2022**
- Happiest Minds is recognized among **'India's Top 25 Best Workplaces™ in IT & IT-BPM 2022'** by Great Place To Work® Institute
- Happiest Minds has won CULT.fit **'India's Fittest Disruptors 2022 Award'**
- Happiest Minds wins multiple awards at the **ICSI National Awards 2022**
 - **'Best Governed Company' in Medium Category**
 - **CS Praveen Kumar Darshankar** presented the **'Governance Professional of the Year'**
 - **Ashok Soota** conferred **'ICSI Lifetime Achievement Award for Excellence in Corporate Governance'**
- **Priya Kanduri** conferred **'Outstanding Leadership Award'** at Internet 2.0 Conference, Dubai
- **Sushilkumar Nahar** recognized as a **'Game Changer'** at the **CIO100 Awards 2022**

Analyst Mentions

- Happiest Minds is a **'Leader in Enterprise Software'** – Zinnov Zones
- Happiest Minds is a **'Leader in Software Platform Engineering'** – Zinnov Zones
- Happiest Minds is a **'Leader among SMSPs for ER&D Services'** – Zinnov Zones
- Happiest Minds is a **'Leader among SMSPs in Data & AI Engineering'** – Zinnov Zones

- Happiest Minds is a '**Major Contender in Everest Managed Detection & Response (MDR) Services PEAK Matrix**' - Everest

For further details please refer to the Investors presentation hosted on the company website

-- Investors section

About Happiest Minds Technologies:

[Happiest Minds Technologies Limited](#) (NSE: HAPPSTMNDS), a Mindful IT Company, enables [digital transformation](#) for enterprises and technology providers by delivering seamless customer experiences, business efficiency and actionable insights. We do this by leveraging a spectrum of disruptive technologies such as: [artificial intelligence](#), [blockchain](#), [cloud](#), [digital process automation](#), [internet of things](#), robotics/drones, [security](#), [virtual/augmented reality](#), etc. Positioned as 'Born Digital . Born Agile', our capabilities span digital solutions, infrastructure, product engineering and security. We deliver these services across industry sectors such as automotive, BFSI, consumer packaged goods, e-commerce, EduTech, engineering R&D, healthcare, hi-tech, manufacturing, retail and travel/transportation/hospitality.

A Great Place to Work-Certified™ company, Happiest Minds is headquartered in Bangalore, India with operations in the U.S., UK, Canada, Australia and Middle East.

Safe harbor

This release may contain certain forward-looking statements, which involves risks and uncertainties that could cause our future results to differ materially from those in such forward-looking statements. The COVID-19 pandemic could decrease our customers' technology spend, delaying prospective customers' purchasing decisions, and impact our ability to provide services; all of which could adversely affect our future revenue, margin, and overall financial performance. Our operations could also be negatively impacted by a range of external factors not within our control including those due to the pandemic. We do not undertake to update any of our forward-looking statements that may be made from time to time by us or on our behalf.

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